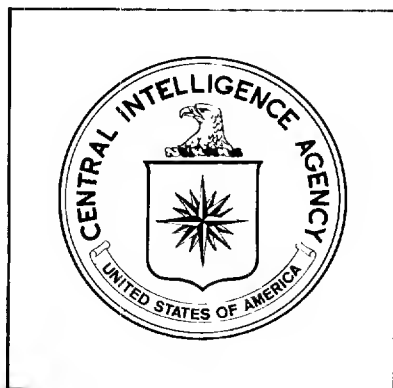


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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Belgrade Determined to Maintain
Independence from Moscow

Belgrade's determination to maintain its independence from Moscow is again being underscored in conversations between Yugoslav officials and influential Westerners. The comments reflect the concern in Belgrade that Western press speculation about a Yugoslav return to the Soviet fold is undermining relations with friendly Western countries.

Stane Dolanc, Tito's number-two man in the party, recently told [REDACTED] that Moscow has not abandoned its efforts to make other Communist parties "toe the line." Dolanc said that Belgrade has strong reservations about Soviet intentions at the proposed European Communist conference and added that the Yugoslavs might refuse to attend the meeting.

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A "senior and seasoned" Yugoslav diplomat in the West has also stated that Yugoslavia's foreign policy is directed at frustrating Soviet-inspired attempts both to isolate Yugoslavia internationally and to cause mischief inside the country. He said Premier Bijedic's present visit to Washington and his coming trip to Peking are integral parts of Belgrade's unannounced but firm attempt to end its sense of increasing isolation in world affairs.

Another Yugoslav official, a military attache stationed in Western Europe, recently told a US colleague that the army is determined to keep Yugoslavia independent of the USSR. He asserted that 85 percent of the military would "purge" the small minority of Stalinists in uniform if they openly pushed for ties with the East. He said that Yugoslavia hopes that NATO will speedily repair its southern flank because Belgrade's interests are endangered by the Warsaw Pact's improved position in the Balkans.

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These comments could in part be intended to serve Belgrade's special interests--for example, its desire to ensure the success of the Bijedic visit to Washington. Many leaders have been uncomfortable about President Tito's attempts over the past three years to establish a closer relationship with Moscow as part of his effort to reduce the problems his successors will face. They are also concerned that the Arab-Israeli situation and the Cyprus dispute have increased the prospects for a more prominent Soviet role in the Balkans. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Soviet Lecturer on US-USSR Relations

Recent comments on US-USSR relations by a Soviet propaganda lecturer appear somewhat less sanguine than other current assessments. While the speaker cast no doubt on Soviet desire for detente, he reminded his audience of the essentially adversary relationship of the two super powers and seemed to be warning that events in the US threaten a slowdown in the further improvement of bilateral relations.

It is not uncommon for Soviet propagandists to diverge unwittingly from the latest party thinking, but the speaker in this case, Yuriy M. Buzulukov, is a veteran of the Central Committee's Propaganda Department, who has in the past been entrusted with conveying unpublicized foreign policy decisions to Soviet officials abroad. His remarks may accurately reflect a developing party appraisal of the situation in the US.

Speaking in Leningrad on March 16 as a guest lecturer from Moscow, Buzulukov acknowledged that last year's US presidential succession had posed problems for the Soviet Union. While he did not directly criticize President Ford, Buzulukov characterized former president Nixon in more positive terms, portraying the former president as a driving force behind US detente policy. President Ford, in contrast, was described as beset by US domestic problems and likely to lose to a Democratic candidate in 1976.

The Soviets have been pessimistic about the political prospects of the present administration at least since last November, when *Pravda* noted that Republican congressional losses had clouded the party's presidential outlook. Buzulukov, however, came closer to a flat prediction than we have previously seen.

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Buzulukov credited President Ford with attempting to obtain most-favored-nation trading status for the USSR, but described him as stymied by Congress, whose strictures on emigration practices and credits were unacceptable to the Soviets. The lecturer forecast no change in US trade legislation--and consequently, no change in the current level of bilateral trade--before next year's elections in the US.

Other Soviet officials, particularly those with a professional or bureaucratic interest in trade, continue to sound a more optimistic line on the prospects for closer economic ties with the US. Earlier this month, Deputy Trade Minister Alkhimov spoke of demands by influential US business and political leaders that trade legislation be revised "this year." On March 18, Dzherman Gvishiani, deputy chairman of the state committee on science and technology and son-in-law of Premier Kosygin, reportedly claimed that US firms were stepping up their contacts with the Soviets. Gvishiani concluded that bilateral trade problems were only temporary.

According to Buzulukov, the two super powers remain "classical opponents," but the resolution of any serious international problem is impossible without the cooperation of the US. The lecturer repeated the familiar line, however, that the US had been "forced" to seek better relations with the USSR as a consequence of Soviet strength and the need to avoid nuclear war. These comments accord with a concerted effort by Moscow in recent months to tighten the Communists' ideological position and to reaffirm the need for continued ideological vigilance and struggle with the West.

In a more positive vein, Buzulukov mentioned the Vladivostok arms understandings as an important development and said that there were good prospects for signing a ten-year agreement when Brezhnev visits the US. (SECRET NO FOREIGN DISSEM/BACKGROUND USE ONLY)

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Soviet Schools Getting into the
30th Anniversary Celebrations Act

A recent article in *Sovietskiy Patriot* by F. Shtykalo, Soviet deputy minister of education, describes a wide-ranging program that is under way to involve school children actively in the 30th anniversary celebrations commemorating the end of World War II in Europe. The program has the double purpose of inspiring a positive attitude on the part of Soviet students toward the military and its experiences in World War II, and of preparing them for a later role as soldiers.

The program calls for special courses to be offered on the war, sports competitions, tours, expeditions, and other activities. The Ministry of Education is sending out an instructional letter to schools and other concerned organizations about the program and is distributing teaching materials for use with the special courses. The first offering is a book entitled *Teachers - Heroes of the Soviet Union, Participants in the Great Patriotic War*.

The Soviets are also organizing nationwide military games and sports competitions, entitled "Eaglet" and "Summer Lightning" for young people in schools. Tours and historical expeditions, as well as the building of new and improving of existing military museums, are envisaged in the program, all under the theme of "My Homeland, the USSR."

An ongoing campaign of military patriotic work in the public schools, a kind of military Head Start program, will also be redirected to tie in with the Great 30th celebrations. The sponsors of this campaign--the Ministry of Education, DOSAAF, *Izvestiya*, and the *Teachers Gazette* are now reviewing the program with this in mind. In the present campaign, school

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children learn the rudiments of military skills, later to be refined in DOSAAF and in military service itself. The sponsors recommend, among other things, that new firing ranges be built for the use of the young people and that such groups as "Young Friends of the Soviet Army" and "Young Friends of the Border Guards" be encouraged and expanded.

Despite this large-scale effort, the author feels that not enough is being done. He calls for an extension of military patriotic work beyond the confines of the classroom, and suggests that special "public councils" be created to ensure coordination of the activities of the schools with those of party and public organizations. (UNCLASSIFIED)


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Iran Extends Loan to Bulgaria

Iran has granted Bulgaria a \$160-million loan, the largest it has ever extended to a Communist country.

Under terms of an agreement signed in early March, Bulgaria will use the loan over the next four years to expand Bulgaria's foodstuff industry. In return, Iran will receive agricultural and livestock products. The loan is particularly attractive to Bulgaria because it requires repayment in kind, not in hard currency.

The extension of the credit is probably a result of party leader Zhivkov's visit to Tehran in November 1974. At that time, an agreement was signed for the sale to Iran of \$500 million worth of Bulgarian food over a five-year period. Another accord provides for future joint ventures in both Bulgaria and Iran. (CONFIDENTIAL)

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Output of Numerically Controlled
Machine Tools Slackens

Following years of rapid expansion, the growth in Soviet output of numerically controlled machine tools since 1970 has slowed. In 1973 and 1974 output fell about 10 percent below planned levels. Production will have to jump a whopping 35 percent this year if the target of 6,000 numerically controlled machine tools is to be achieved.

According to official Soviet sources, the slowdown is attributable to organizational problems in the Ministry of the Machine Tool and Tool Building Industry, which produces the machines primarily for civilian uses. Six plants in this ministry have failed to achieve continuous flow production of new models as scheduled. Also, specialized producers in other ministries may not be delivering enough critical components and subassemblies such as stepping motors and precision ball screw assemblies.

The production shortfalls probably have not slowed deliveries of numerically controlled machine tools to producers of military and aerospace equipment, however. Generally, these machines are produced by plants in the aviation industry. In fact, the output of numerically controlled machine tools in this industry has likely exceeded planned goals by a substantial margin, and the 1975 target will probably be easily met. A shift of resources from civil to military producers may account for underfulfillment of production goals in the one case, and overfulfillment in the other.

Civil and Military Output as a
Percent of Plan, (1970=100)

| | <u>1971</u> | <u>1972</u> | <u>1973</u> | <u>1974</u> |
|----------|-------------|-------------|-------------|-------------|
| Civil | 100.0 | 90.7 | 77.5 | 82.1 |
| Military | 100.7 | 116.1 | 109.6 | 100.8 |

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Even if the 1975 total civilian and military output goal for numerically controlled machine tools could be met, the effect on industrial productivity and efficiency in those industries using the tools is likely to be marginal during the next year or so. The development and delivery of finished programs software required for efficient, non-manual operation of numerically controlled machine tools is lagging badly. Although the ministry has set up ten regional programming centers to develop programs for plants having these machine tools, there appears to be little interaction between developers and users, and few fully de-bugged programs have been developed for the rapidly growing stock of numerically controlled equipment. As a result, many of these machine tools stand idle, are used only on a limited basis, or are used manually. (CONFIDENTIAL)

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